



Presentation to California Resources Agency Workshop on LNG Access Issues and Deliverability of Supply

June 1, 2005

By Henry P. Morse, Jr.

General Manager, North Baja Pipeline



North Baja Pipeline LNG Pipeline Expansion II



North Baja Pipeline System History



- Originally permitted in 2000/2001 and constructed in 2002
- Placed into service in September 2002
- U.S. portion (NBP) now owned by a subsidiary of TransCanada
- Mexican partner (GB) owned by a subsidiary of Sempra
- NBP and GB have cooperated in development, marketing and operation of the pipelines since 2000
- Originally designed to flow gas from the El Paso pipeline to locations in Southern California and Baja California

North Baja Pipeline System

LNG History



- NBP and GB held an open season in 2003 for the LNG Terminal developers in the region
- Two shippers, who will both be utilizing the Energia Costa Azul terminal, which is currently under construction, executed contracts with NBP, GB & TGN
- As a result of these contracts the direction of flow on GB and NBP will be reversed, and NBP will be importing up to 900+ Mmcfd on a peak day from Mexico
- This gas will be delivered either to SoCal Gas at Blythe, or El Paso at Ehrenberg, or both
- GB & NBP have recently initiated the permitting process in Mexico and the U.S., and anticipate placing the facilities in service by the 4th Quarter of 2007 when the terminal is scheduled to start its testing phase

North Baja Pipeline System Future Expansions



- NBP, GB & TGN are currently holding a second Open Season for others that continue the LNG Terminal development process and shippers that plan to utilize those new or expanded terminals
- Any expansions necessary to serve these terminals will go into service in 2008 or later

North Baja Pipeline System Security Concerns



- The gas that is being contracted to be shipped to the USA is in excess of the needs of the gas consuming facilities in Baja California
- The gas system in Baja California is not connected to any other gas system other than those owned by SDG&E or NBP